



ROSNEFT

Rosneft – the Leader of the Russian Oil Industry

Eduard Khudainatov
President of Rosneft
New York, April 18, 2012

Post-IPO Dynamics (2006-2011)

Reserve replacement

Well above the industry average
Discovery of major fields in East Siberia

187%

Implementation of flagship projects

Launch of the Vankor field
Effective development of the Yuganskneftegaz fields



Output growth

Crude oil output CAGR

+8%

Cost control

Reduction of lifting costs per barrel in real terms

-25%

Sustainable dividend growth

Annual dividend increase

+20%

Debt reduction

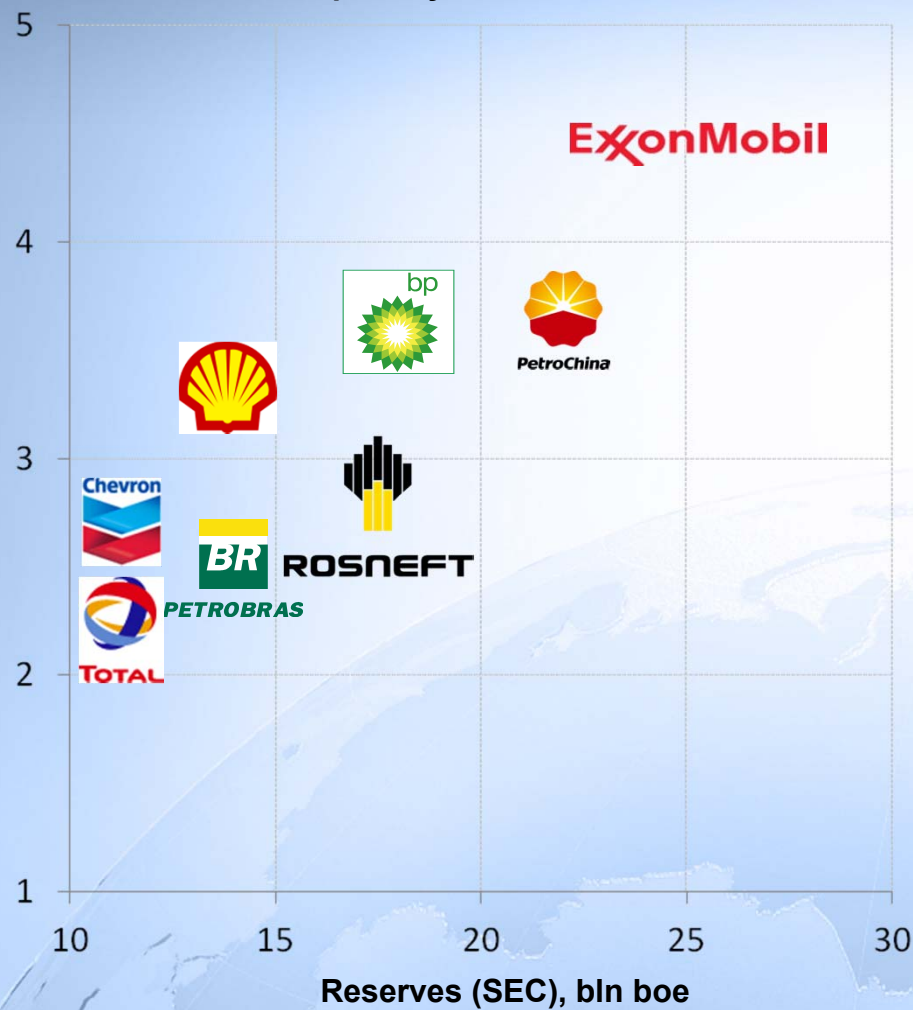
Reduction of Net Debt to EBITDA ratio from 1.8x to 0.7x

-60%

Among Global Energy Leaders

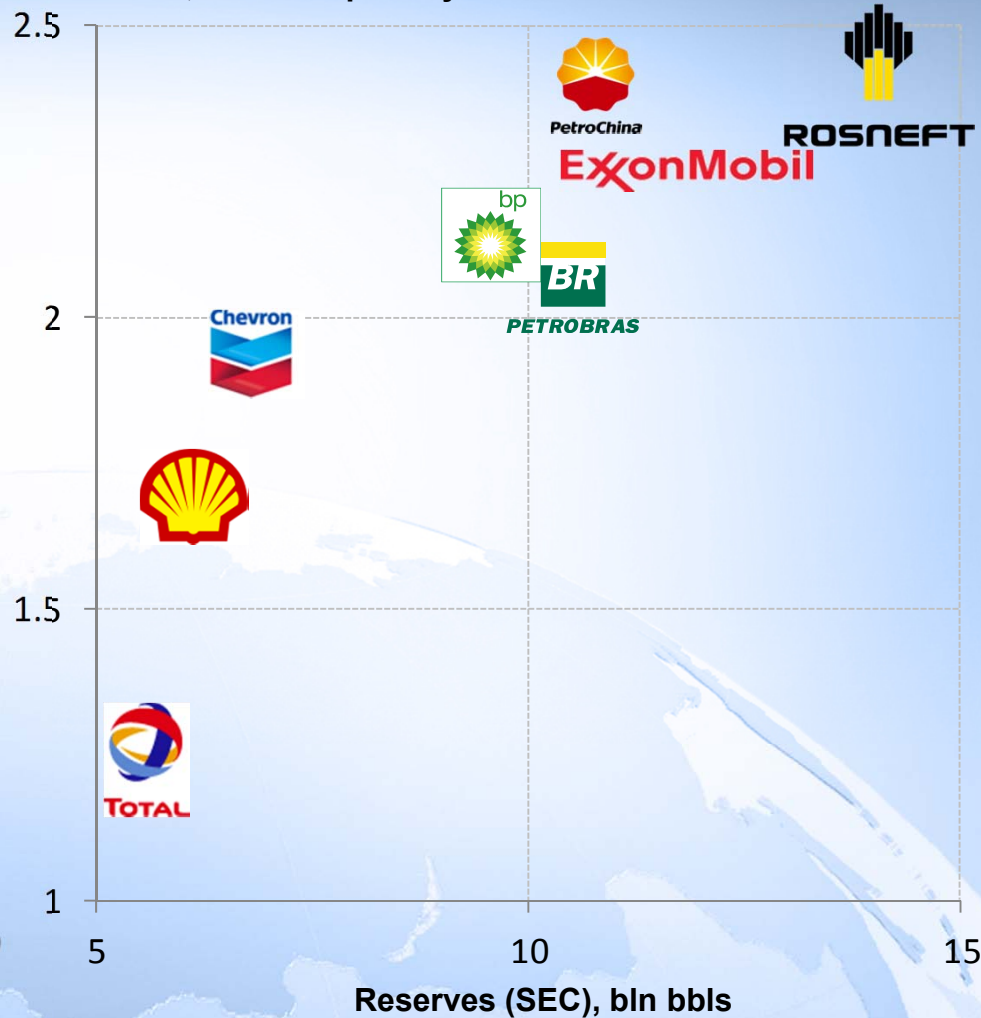
Hydrocarbons

Production, mln boe per day



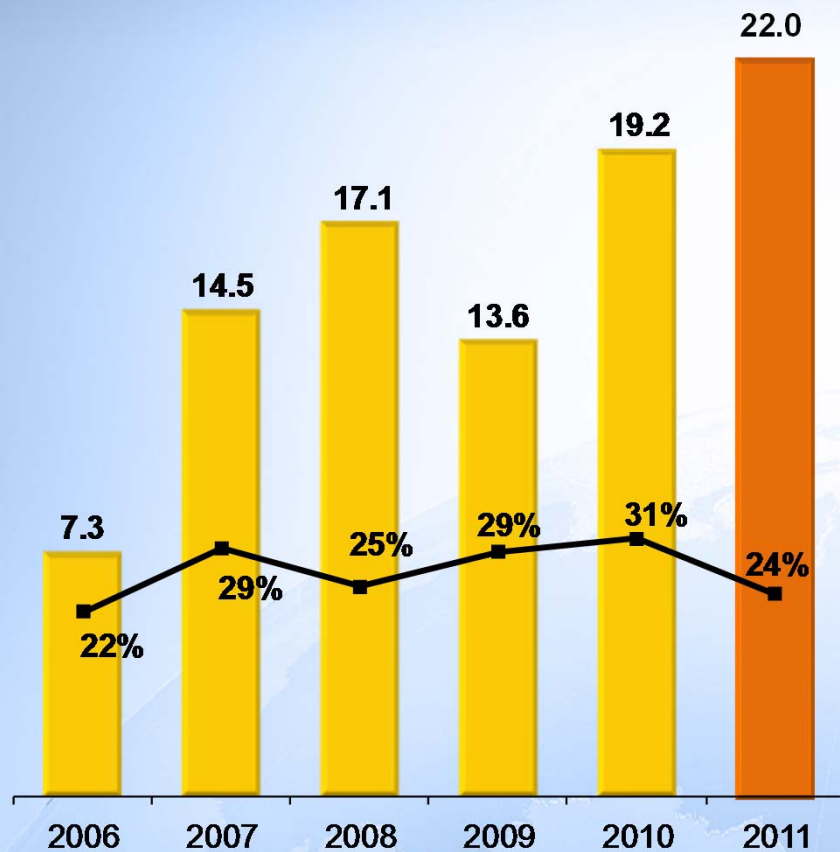
Crude oil

Production, mln bbls per day

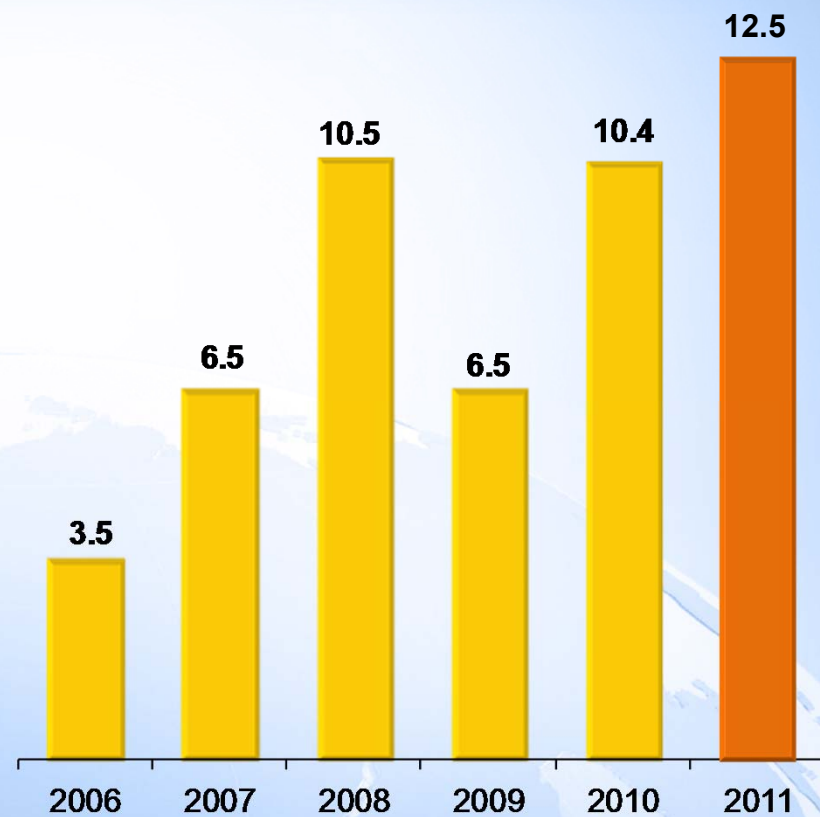


Financial Results since IPO

EBITDA (USD bln) and EBITDA margin (%)

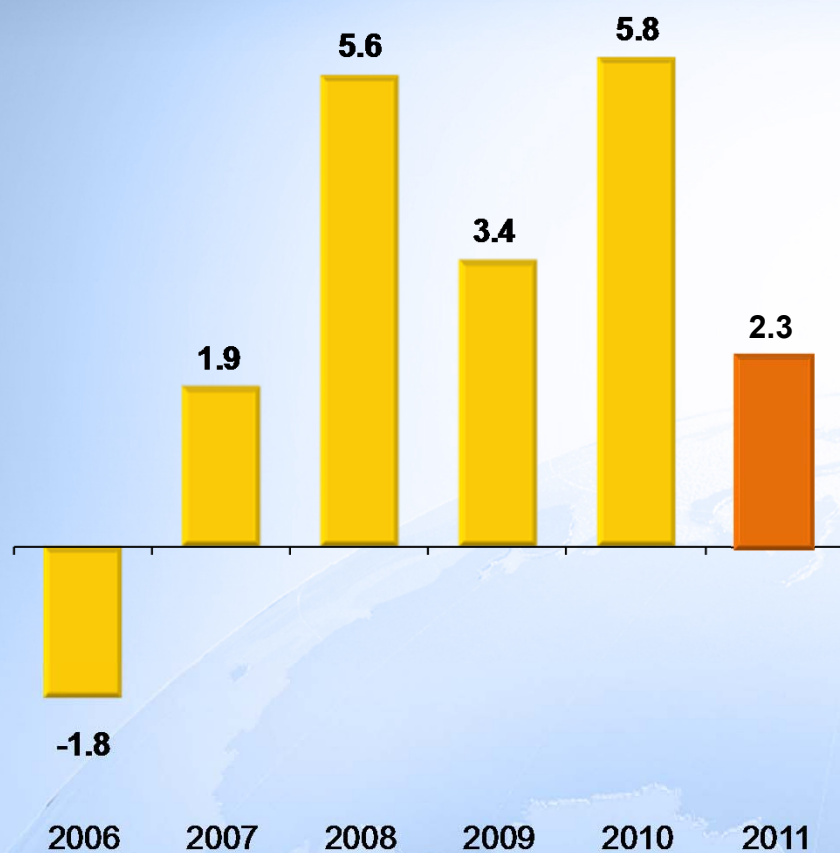


Adjusted net income, USD bln

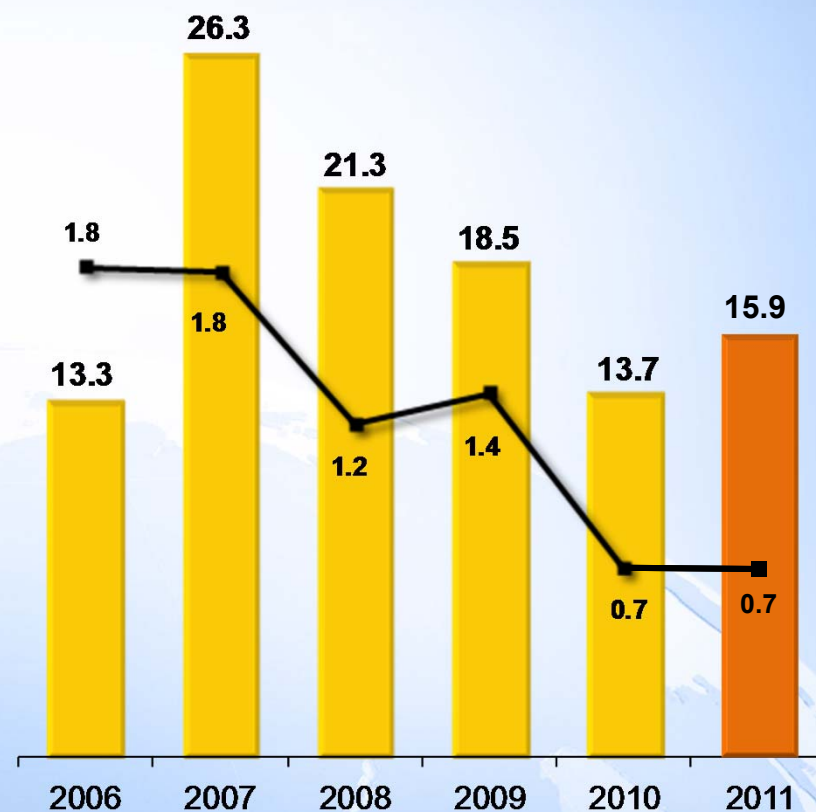


Financial Results since IPO

Free Cash Flow, USD bln



Net Debt (USD bln) and Net Debt to EBITDA



Strategic Vision

Rosneft – global energy company providing consistently high returns to shareholders through:

- **sustainable growth**
- **increased efficiency**
- **development and application of innovative technologies**

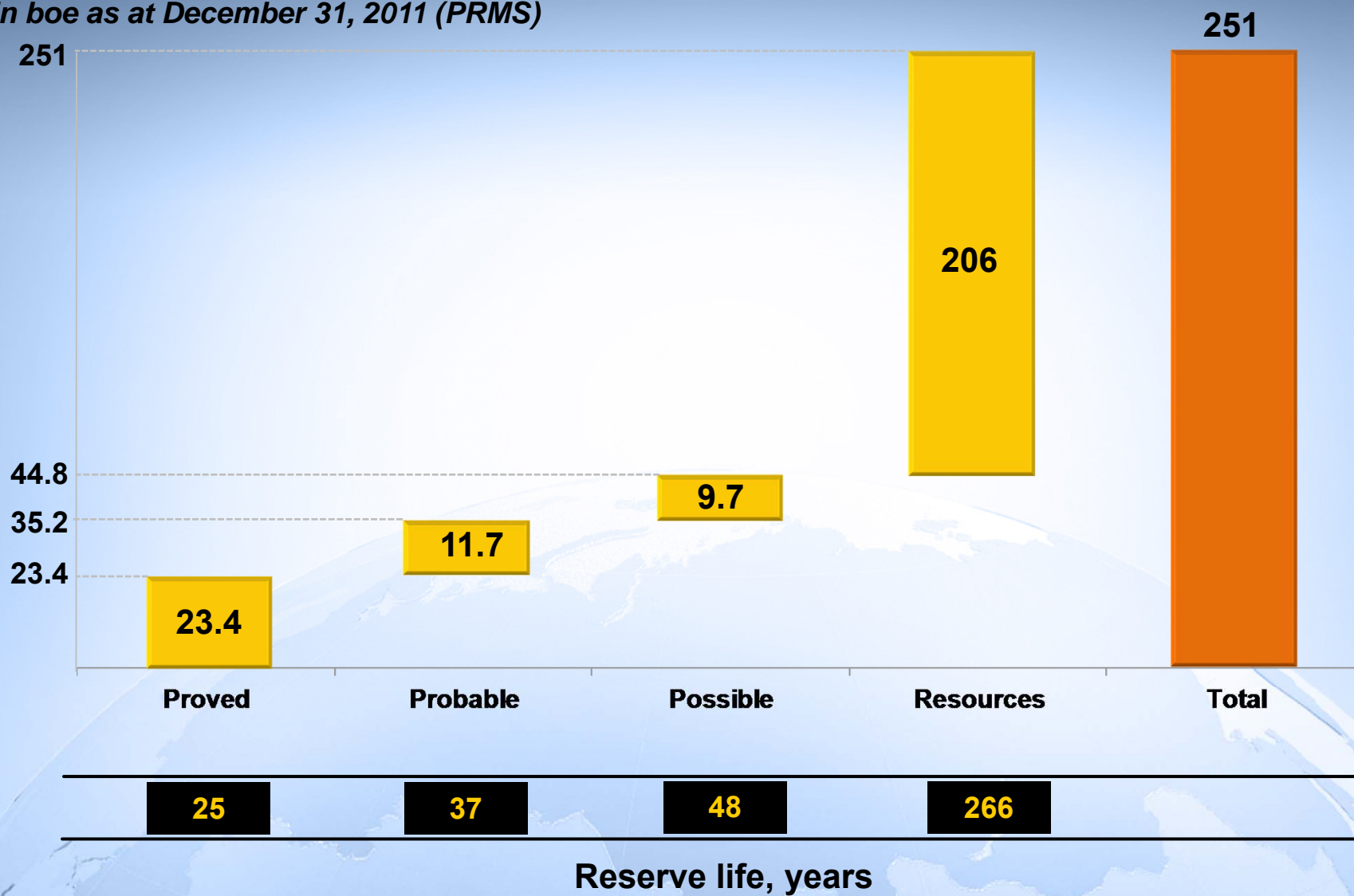


Key Priorities

- 1 Effective development of the existing reserves**
- 2 Development of gas business**
- 3 Conversion of resources into proved reserves, including early start of full-scale offshore exploration**
- 4 Access to technological and managerial expertise through participation in international projects**
- 5 Refinery upgrades to comply with State regulations for motor fuel and development of petrochemical business**
- 6 Development of marketing segment**
- 7 Introduction of a modern management model with special focus on HSE and innovations**

Strong Reserve Base

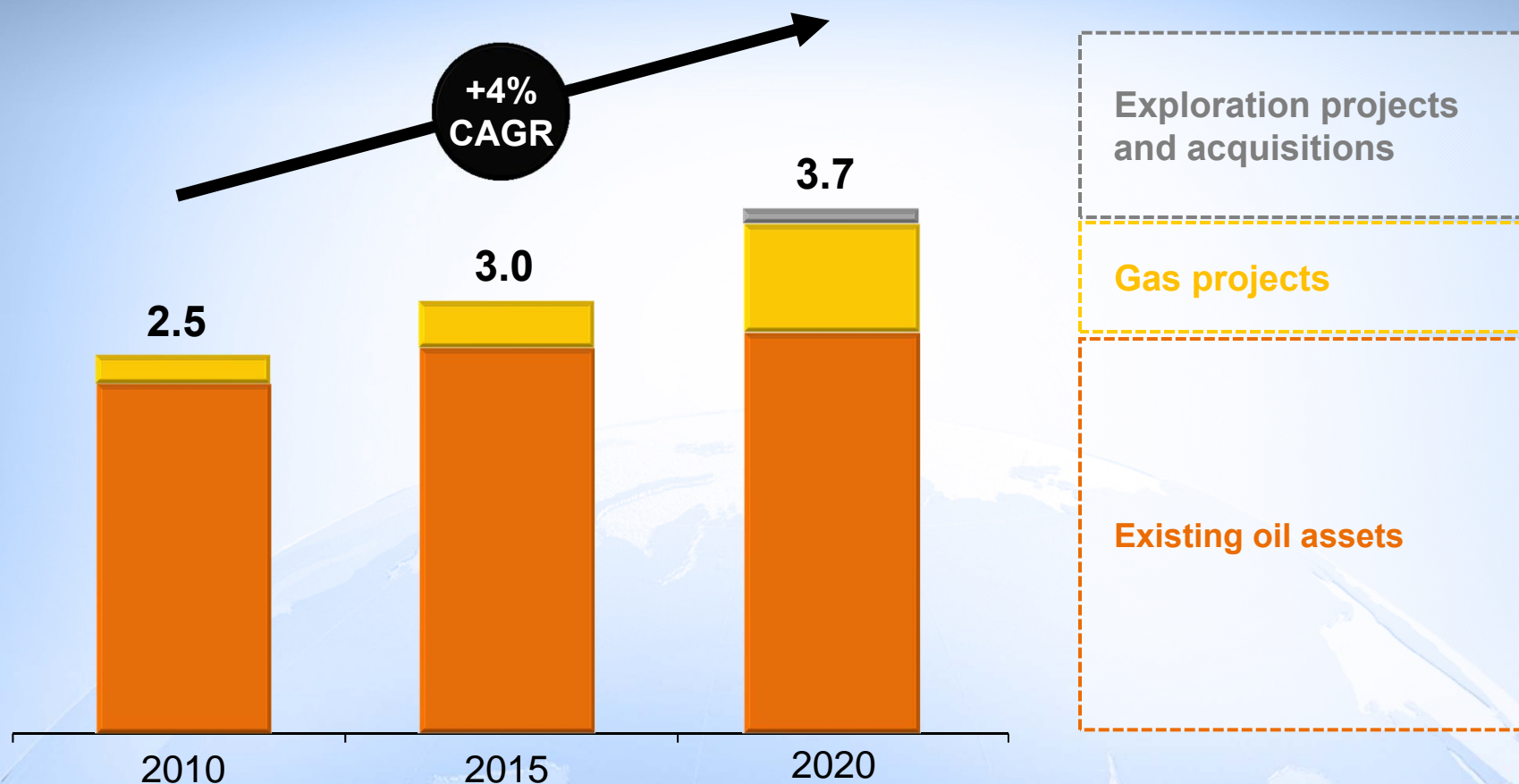
bln boe as at December 31, 2011 (PRMS)



1 Effective Development of the Existing Reserves

Sustainable Hydrocarbon Production Growth

Production, mln boe per day



Note:
the output forecast assumes oil price of \$90 per barrel in real terms and a favorable tax regime.

1

Effective Development of the Existing Reserves

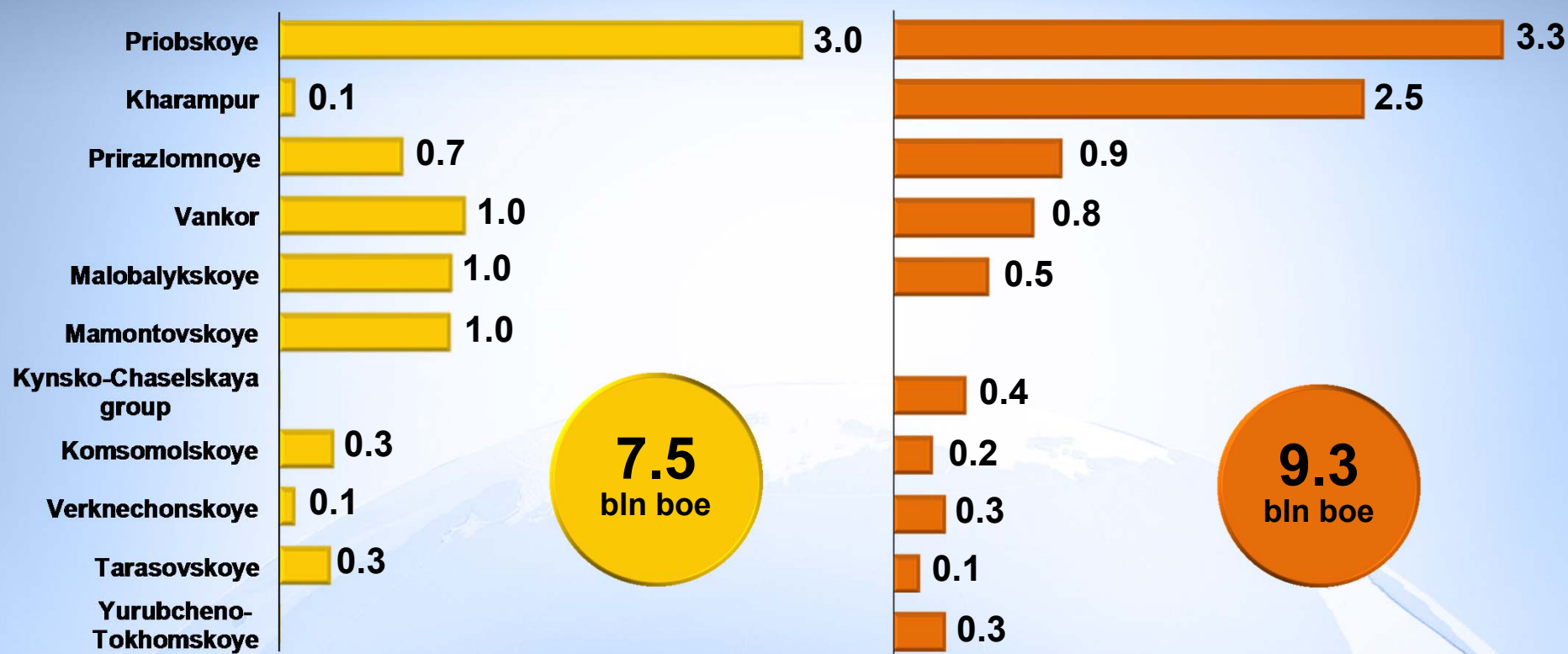
Production Growth Until 2020 is Secured by Existing Reserves

Proved reserves, bln boe

Developed

+

Undeveloped



72%

of total proved reserves of Rosneft

Vankor: Unique Experience in Implementing a Large-Scale Project



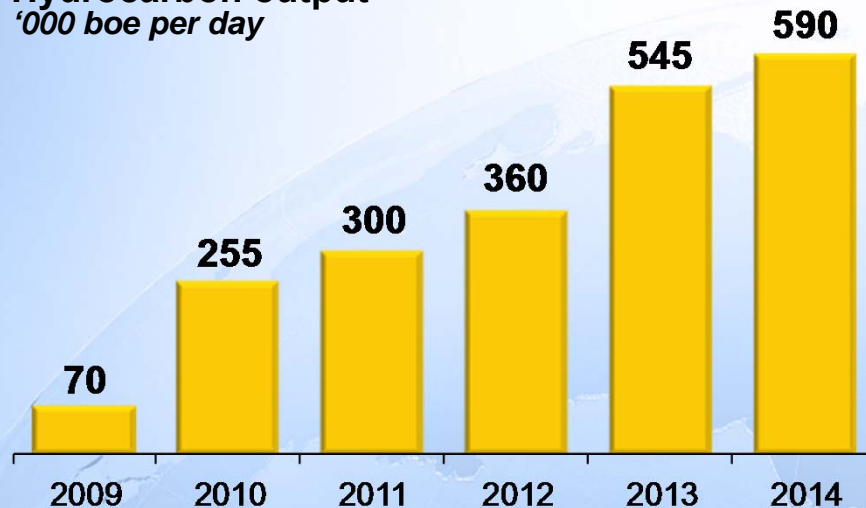
Proved reserves
1.8 bln boe

3P reserves
4.1 bln boe

Unique flow rates
3,500 bpd

Extremely tight schedule in a harsh climate (-49°F during winter)
6 years from obtaining the license

Hydrocarbon output
'000 boe per day



Advanced drilling, construction, environmental protection technologies

Investments
USD 8 per bbl of accumulated production

Tax incentives
Special export duty rate, mineral extraction tax holidays

**Vankor,
Central Oil Treatment Facility**



Vankor-Purpe pipeline





Vankor, Helicopter pad

Vankor,
Production drilling

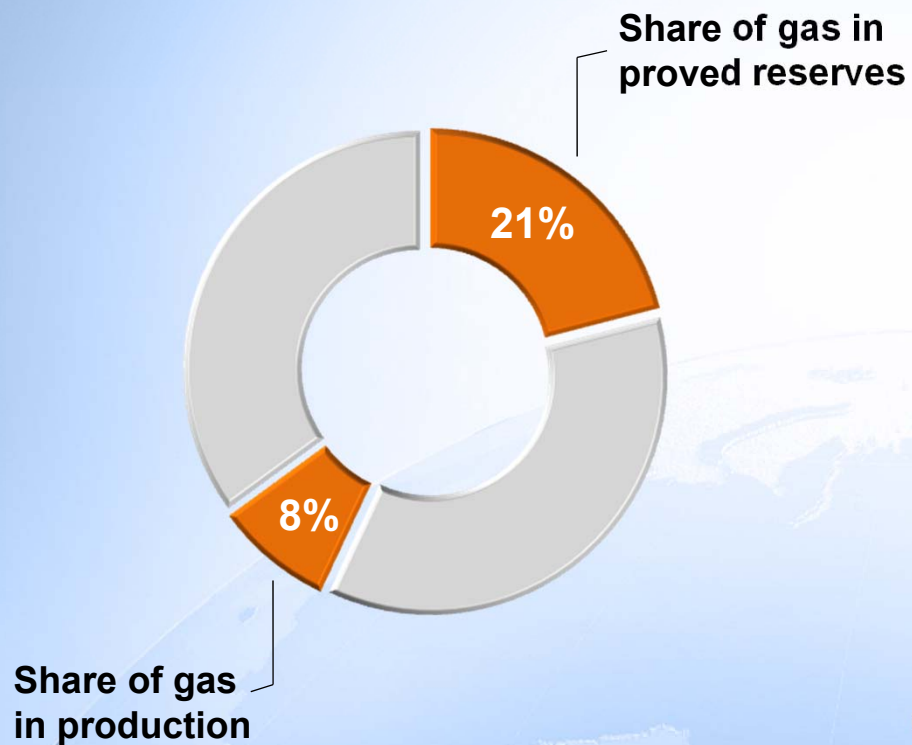


**Vankor,
Fumeless flaring system**

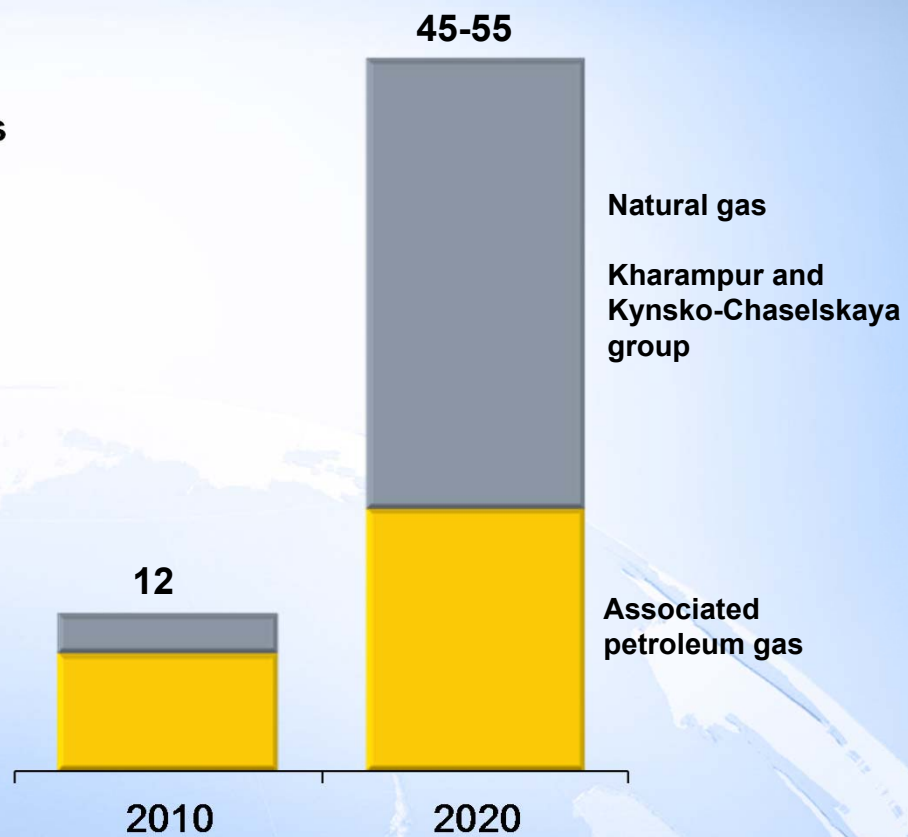


2 Development of Gas Business

Share of gas in reserves and production

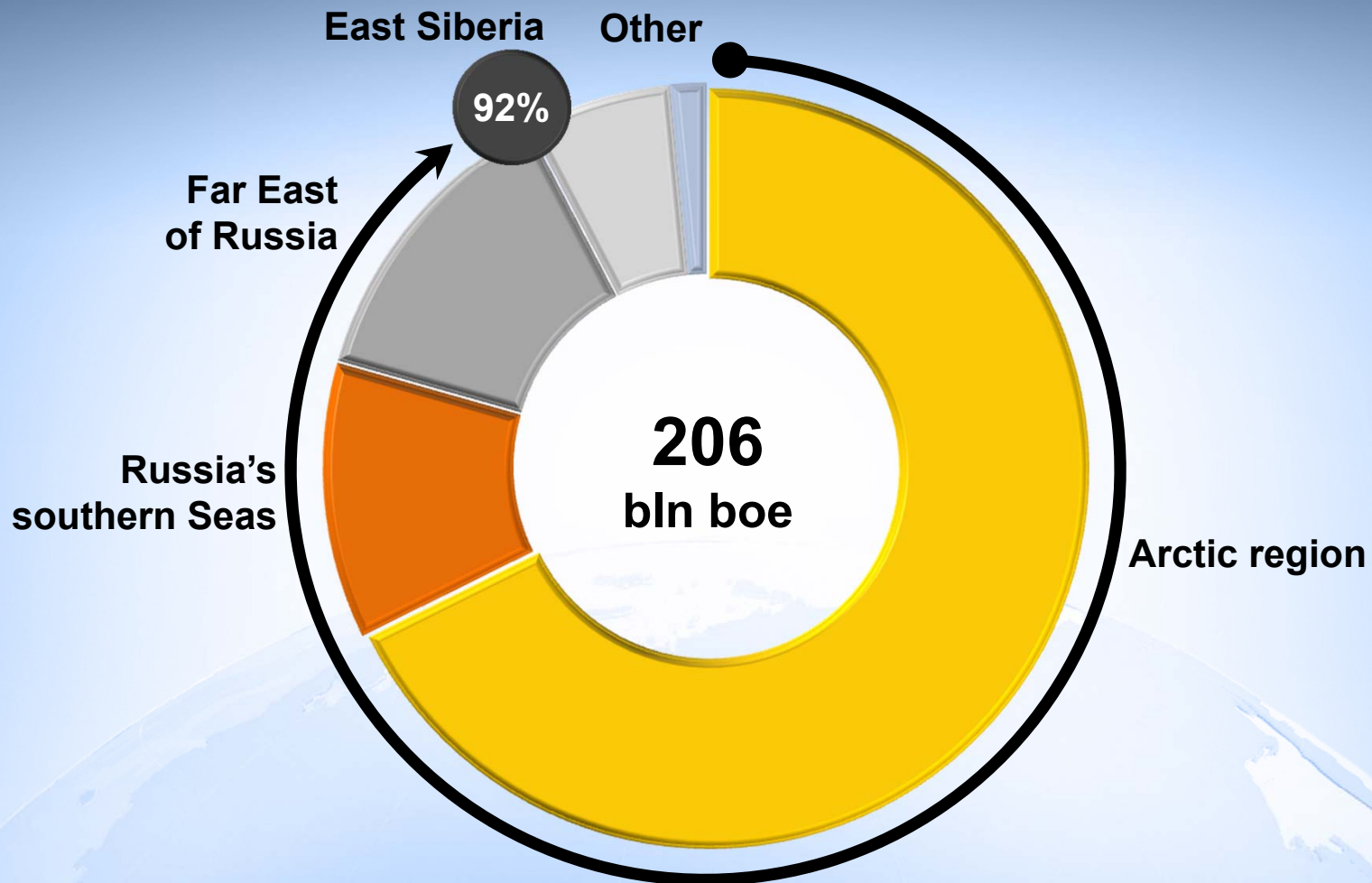


Gas output, bcm



3

Conversion of Resources into Proved Reserves



Converting the resource base into proved reserves will ensure production growth beyond 2020

Tuapse Refinery, Distillation Unit



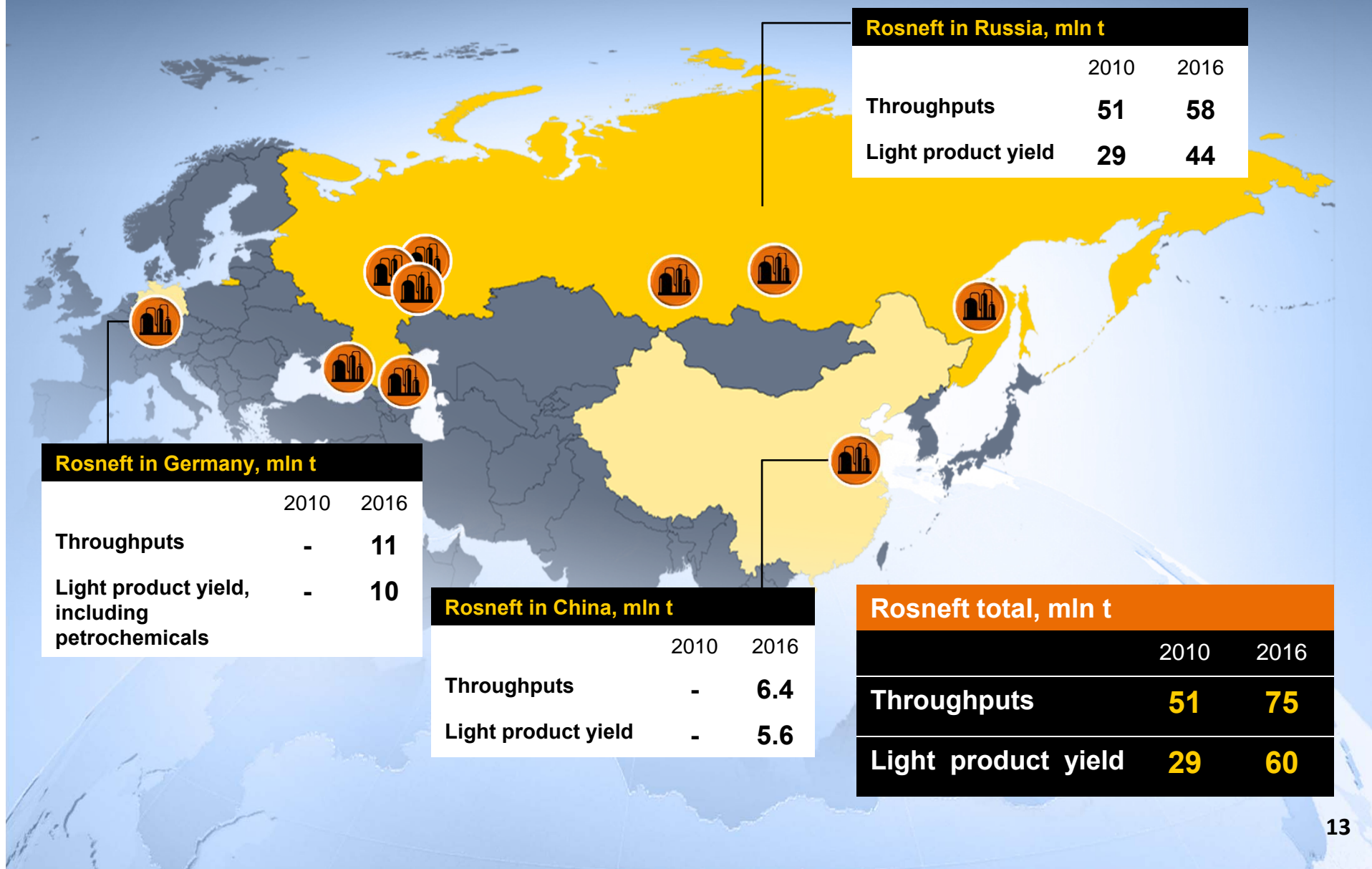
Komsomolsk Refinery, Sulphur Unit



Achinsk Refinery, Isomerisation Unit



5 Refineries Upgrade

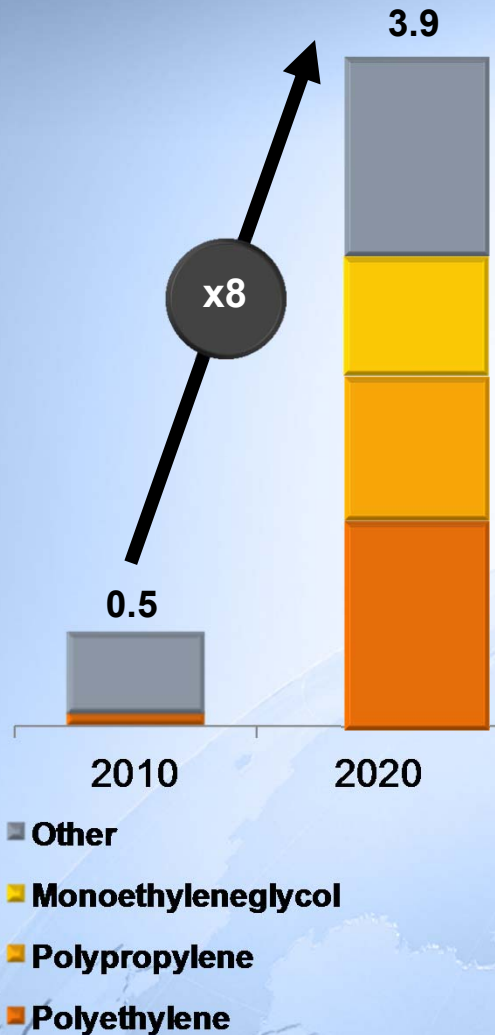


Germany,
Gelsenkirchen Refinery



5 Development of Petrochemical Business

Production of petrochemicals in Russia, mln t



Expansion of Angarsk Polymer Plant

- Expansion of pyrolysis unit from 200,000 to 450,000 tonne of ethylene per year
- 350,000 tonne polyethylene facility – the largest in Russia

Eastern Petrochemical Plant

- Capacity – 3.5 mln tonne
- World's largest pyrolysis facility
- Plant to produce mostly polymers



Industrial and Environmental Safety Priorities

- Ensuring that industrial and environmental safety corresponds to the latest international standards (OHSAS 18001 and ISO 14001) and best practice
- Focus on preventing pipeline accidents and eliminating any environmental risks related to spills of oil or petroleum products
- Sustained reduction in emissions
- Safe waste disposal and land rehabilitation
- Increasing associated petroleum gas utilization to 95%
- Enhancing environmental characteristics of petroleum products by switching to Euro-5



Tuapse Refinery



**Samaraneftegaz,
Pumping units**



Angarsk Refinery



Filling station
in Kuban region





Moscow, Vnukovo airport

Sakhalin-1, Orlan platform



Sakhalin-1, Yastreb rig



Sakhalin-1, Oil loading facility



ExxonMobil[™]



THANK YOU!



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